Education and Research Activities in Economics and Finance

Capitalizing on financial and economic expertise accumulated through its securities business, the Daiwa Securities Group engages in business-academia collaborations and supports programs for junior and senior high school students as well as teachers. We believe that economic and financial education is important in helping young people develop the capacity to build their own lives and shape the future world.

⇒ Refer to “CSR Related Data” on page 67 for “Results in Economic and Financial Education”

Support for KidZania

The Daiwa Securities Group is a supporter of KidZania, a theme park designed to offer work experiences to children, and has been providing support to the facilities in Tokyo and Koshien (Hyogo Prefecture) since they opened. In the Daiwa Securities pavilions, children act as consultants, giving advice to client investors at a securities company, going to nearby pavilions, and conducting interviews to check their levels of traffic and popular products. Based on the results of the interviews, they then select where to invest and make investment recommendations for their customers.

Finance Park

The Daiwa Securities Group cooperates with Finance Parks operated by Junior Achievement Japan. This program provides opportunities for junior high school students to learn economic and financial mechanisms that will be necessary for them in their adult life. Finance Parks have been operating in Shinagawa, Tokyo and Kyoto since 2005 and in Iwaki, Fukushima Prefecture and in Sendai, Miyagi Prefecture since 2014. We have set up pseudo-branches in these parks. To date, a total of 74,532 students have participated.

Initiatives for Economic and Financial Education toward Junior and Senior High School and College Students

• For Junior High School Students

In October 2015, the Corporate Communication Department of Daiwa Securities Group Inc. conducted

Number of participants in Finance Parks for FY2015

15,362 people

Shinagawa: 1,660

Kyoto: 6,178

Iwaki: 3,771

Sendai: 3,753

(on an application basis; surveyed by Junior Achievement Japan)
a class on the theme of the structure of stock companies and the role of securities firms in Kamakura City. In addition, in November we conducted a class entitled “Introduction to the Securities Analyst” three times in KidZania, which we support.

- For Undergraduate Students
The Head Office of Daiwa Securities held a 14-week endowment class every Thursday from October 2015 to January 2016. In December, the Mito branch of Daiwa Securities provided a class on the theme of a securities company’s business and the current conditions of the securities industry, as part of a course on the basic theory of finance.

- Support for Economic and Financial Education Using the Okane-no-Mikata Website
Refer to “Open Website to Learn Finance and Economy for Junior and Senior High School Students” on page 15.

- Donation of Educational Books on the Economy
In FY2014, as a measure for economic and financial education, Daiwa Securities started donating a book entitled “Economic Puzzle Sleuths: Understanding the True Meaning of Money” (written by Susumu Okano, Senior Executive Managing Director at Daiwa Institute of Research). The book was presented mainly to elementary schools in regions damaged by the 2011 Great East Japan Earthquake. In FY2015, we expanded the scope of our donations, providing the book to 20,174 elementary schools across Japan in locations other than disaster-stricken areas, as well as to school boards. Moreover, we donated a book entitled “Economics American High School Students Learn” (Japanese translation of “Economics: Principles & Practices” translated by Sachiko Hanaoka, Managing Director of the Investment Strategy Department of Daiwa Securities) to 4,973 high schools nationwide (1,313 private schools and 3,660 public schools).

Assistance to Communities Inside and Outside of Japan through Foundations and NPOs

- Daiwa Securities Health Foundation
The Daiwa Securities Health Foundation was established in October 1972, in commemoration of Daiwa Securities’ 30th anniversary, to support medical research. Since 1973, the year following its establishment, the Foundation has supported outstanding research projects focusing on improving medicine and medical care for middle-aged and elderly people. It has recently expanded the scope of its support to research projects on health, welfare, and nursing care.

- Daiwa Securities Foundation
In March 1994, the Daiwa Securities Foundation was launched in commemoration of the 50th anniversary of Daiwa Securities’ establishment in order to make a contribution to society from our profits. Since its establishment, the Foundation has provided grants every year to organizations and groups engaging in support activities for the elderly, people with disabilities, and children, and other volunteer work of high social significance.

- Daiwa Anglo-Japanese Foundation (Chartered in the United Kingdom)
The Daiwa Anglo-Japanese Foundation is a UK charity established in 1988 in part with contributions from Daiwa Securities, for fostering closer ties between the United Kingdom and Japan. Principal activities include:
1. Awarding grants to individuals, institutions, and organizations working to promote ties between the United Kingdom and Japan
2. Enabling British and Japanese students and academics to further their education by providing opportunities for joint research and supporting exchanges and other bilateral initiatives
3. Awarding Daiwa Scholarships for British graduates to study Japanese and undertake work assignments in Japan
4. Organizing a year-round calendar of events to improve understanding of Japan in the United Kingdom

The Foundation’s Tokyo office provides local assistance to Daiwa Scholars (students from the United Kingdom), administers grant applications from Japan and collaborates with other institutions promoting Anglo-Japanese relations.

Presentation ceremony for the Tokyo region (Daiwa Securities Foundation)
Daiwa Scholarships in Japanese Studies was also established in 2015 as a scholarship program for studies on Japan and Japanese language training. This is a program in which the Daiwa Securities Group funds individuals from the United Kingdom for tuition and living expenses for graduate school.

Moreover, the Daiwa Ichiban Lectures, a new series of annual lectures, began in collaboration with the British Embassy in October 2015. Sir Paul Nurse, a Nobel Prize winner, was the first speaker, delivering a lecture titled “Trust in Science.” In November, we also granted the Daiwa Foundation Art Prize, designed to provide an opportunity for British artists to hold a solo exhibition in Japan if they have never done so before. This time, we invited British artist Oliver Beer and held a welcome party at the British Embassy.

**Daiwa Myanmar-Japan Foundation**

On April 1, 2013, the Daiwa Securities Group established the Daiwa Myanmar-Japan Foundation to improve people’s livelihood in Myanmar and to develop the human capital necessary for sustainable economic growth. The foundation focuses on training people who will carry key responsibilities in Myanmar’s future capital markets by implementing a scholarship program that provides junior staff of the country’s central government with opportunities to study in Japan. On December 2, 2013, the Foundation signed a memorandum of understanding with Myanmar Institute of Certified Public Accountants concerning cooperation in human resource development and has been helping with the training of public accountants in Yangon.

**Kopernik Program**

Since establishing the Kopernik program in FY2010, the Daiwa Securities Group has supported Kopernik, which engages in activities to help people in developing countries to improve their life and stand on their own feet. The organization has developed a structure to enable contributors to go online and donate to NPOs/NGOs in developing countries or areas of their own choosing by selecting needed products such as simple water purifiers and solar lamps. Kopernik shares details of recipient NPO/NGO activities supported by donations on its website to ensure transparency.

The program operates through donations from a portion of management fees from the Daiwa Eco Fund and Russell Global Environmental Technology Fund, with products and recipients selected based on their alignment with the principles of these funds. As a new initiative for FY2015, Kopernik assembled residents in areas considered to be in need of support. The program also held a technology fair to give usage instructions for products and to explain their effects directly to local people. The event drew much attention, attracting participation from not only local residents but also government officials.

**Daiwa Securities Phoenix Japan Program**

In May 2012, the Daiwa Securities Group established the Great East Japan Earthquake Relief Assistance program. The program donates a portion of management fees from the Daiwa Nippon Support Fund Vol. 3—Phoenix Japan and continues providing assistance to local NPOs through the Japan Earthquake Local NPO Support Fund (specified aid), which was set up by Japan NPO Center, a certified NPO. The program supports the human resources development of local NPOs. Their activities include educational assistance and reconstructing communities in the disaster-affected areas.

The 25th term Scholars

The 25th term Scholars

Technology fair (Siem Reap, Cambodia)
Dialogue with Stakeholders - Only Connect -

Five years have passed since the Great East Japan Earthquake which occurred on March 11, 2011. It has been pointed out that the disaster aggravated issues that many disaster-affected regions already faced, such as an aging population and depopulation. Meanwhile, the aging population presents challenges in many other parts of Japan, and is expected to also affect many other countries. The Daiwa Securities Group believes that efforts to address these social issues in the disaster-affected regions will have significant implications when considering broader social initiatives in the future.

In light of this view, the Group is identifying social challenges currently faced in the disaster-affected regions and considering what we can do for them through visits to the non-profit organizations (NPOs) active in disaster-affected regions to which Daiwa Securities Phoenix Japan Program has provided support, and dialogue at joint workshops under the Program.

In FY2015, we conducted a questionnaire of organizations receiving grants under the Daiwa Securities Phoenix Japan Program in order to reflect on the program, which has been implemented since 2012. The results of the questionnaire underscore the effectiveness of our grant program. We also learned that we are expected to provide support in leveraging the know-how we have accumulated through the Group’s business activities.

Major Opinions from NPO Staff and Organizations Receiving Support

In FY2014, in light of feedback from people involved in NPOs, we revised the support target of the program to groups assisting efforts to solve the regional issues that became evident following disasters. We now award grants by focusing on activities in two fields: support for socially vulnerable disaster victims to rebuild their lives and support for reconstruction of towns aimed at rebuilding safe and secure residences and living bases.

We will also continuously hold joint workshops and increase opportunities to interview local people, thereby helping the groups receiving grants to solve the issues they face. Moreover, in order to assist efforts to revitalize regional economies, we will continue investing in unlisted companies in disaster-affected regions through a fund managed by Daiwa Corporate Investment.

⇒ Refer to “Initiatives through Business Activities” on page 24 for initiatives by Daiwa Corporate Investment

“Only Connect” is the phrase symbolizing our wish to generate new values by connecting with various stakeholders. It is a reference to Howards End, one of British author E. M. Forster’s most famous novels.
Support for Culture and the Arts

The Daiwa Securities Group provides support for a wide range of cultural and artistic activities, including art exhibitions, classic concerts, and sports. For example, we have been the special sponsor of the Mainichi Shimbun Central Contest for Book Review Painting, which aims to encourage reading and improve children’s reading skills. In the contest, elementary pupils, junior and senior high school students express their impression and images from books they have read in paintings. The Group has also been supporting traditional activities, including sponsorship of title matches of both Shogi and Go: the Meijin Title Match (Shogi) and the Honinbo Tournament (Go).

In March 2015, the Group was selected in Health & Productivity Stock 2015 as a listed company proactively working to improve employees’ health, and in 2016, we also started supporting the Tokyo Marathon as an official partner.

Corporate Citizenship Initiatives

The Daiwa Securities Group believes that participation in volunteer programs and other community actions by employees helps broaden their perspectives and familiarize them with different values. We consider that this, in turn, has a good influence on both their work and their lives. Through our intranet, we provide information on volunteer opportunities for projects planned by ourselves, other businesses and NPOs/NGOs as well as events that help educate employees and raise their awareness. We also strive to create an environment that makes it easy for employees to volunteer by setting up a recognition program, the Volunteer Award, among other incentives. In our work to encourage as many employees as possible to participate in volunteer activities, we will seek ongoing collaborations with external organizations, strengthen internal communications on volunteering and volunteer opportunities and continue to pursue increased opportunities for employees to engage.

Volunteer Activities by Employees

- The Hands-on Forest Experience 2015—Environmental Maintenance for Sayama Hills

On April 18, 2015, 23 Group employees and their families participated in community forest preservation activities in Sayama Hills (Tokorozawa City, Saitama Prefecture). The participants first learned about the importance of community village preservation in a class provided in collaboration with the Totoro Fund, a public interest incorporated foundation. They later carried out thinning work in areas crowded with bamboo, and tried bamboo shoot digging. The areas were turned into a healthy bamboo forest which allows a adequate amount of sunlight in.

- International Cooperation through a Collection Drive

The Daiwa Securities Group has been running a collection drive as an initiative that is easy for employees to take part in. Pre-loved books and unusable postcards are collected and donated to three groups: JEN BOOK MAGIC, Japan Committee “Vaccines for the World’s Children,” and Live with Friends on the Earth. Items collected are sold by them to fund their activities, including support for education, medical services and agricultural development assistance in developing countries. We will continue the activity as its accessibility makes it quite popular among our employees.

- TABLE FOR TWO (TFT) Program

Since the spring of 2013, the Daiwa Securities Group has contributed to the TFT Program, which is organized by TABLE FOR TWO, an internationally designated NPO. Under the program, a portion of revenue from purchases of food and drink by Group officers and employees is donated to pay for school lunches in developing countries. In 2015, we also started selling another charity product, “Biscotti,” at in-house cafes to raise employees’ awareness of the program and expand their chances for participation.

Amount of donations to Gunma Prefecture World Heritage and Gunma Silk Heritage Succession Fund

¥2.63 million
(Combined amount with donations from The Gunma Bank, Ltd., which also handles the fund)
(August 2015)

Culture and the Arts

- The Mainichi Shimbun Central Contest for Book Review Painting

Special sponsor for 22 years
Number of participant schools 6,678
Total number of entries 635,263
Number of exhibitions of winning works 9
Sales branches Meijin Title Match (Shogi), Honinbo Tournament (Go)
Special sponsor for 12 years

Contribution made in FY2015 through collection drives (equivalent monetary value)

- JEN BOOK MAGIC ¥22,394
- Japan Committee “Vaccines for the World’s Children” ¥215,965
- Live with Friends on the Earth ¥80,033

TFT Program Contributions made January–December, 2015

Around 22,300 school lunches in developing countries
(Calculated on the assumption that one meal costs ¥200)

Donation to Gunma Prefecture World Heritage and Gunma Silk Heritage Succession Fund

Tomioka Silk Mill and Related Sites in Gunma Prefecture were added to the UNESCO World Heritage List in 2014. Daiwa SB Investments launched Tomioka Silk Mill and Silk Industry Heritage Sites Preservation Activity Support Fund (nicknamed Gunma’s Silk Heritage) to preserve the buildings for sericulture, silk reeling, and textile manufacturing that remain within the prefecture, as well as folk performing arts. We donated a portion of management fees from the fund.

The initiative jointly taken by investors, sales companies, and Daiwa SB Investments helps the project to pass on the value of Gunma’s silk culture and silk industry, which led Japan’s modernization, to future generations.

Environmental maintenance at Sayama Hills
Initiatives at Sales Branches of Daiwa Securities

Daiwa Securities’ 144 sales branches nationwide engage in a variety of activities contributing to local communities.

For example, in FY2015, the Ikebukuro branch participated in an activity to clean up surrounding sidewalks. As part of efforts to help regional invigoration, the Tokushima branch participated in the Awa Odori dance festival, while the Tokorozawa branch danced to Japanese traditional folk songs in the Tokorozawa festival. The Tokuyama branch offered drinking water for disaster relief to areas where water supply was suspended due to heavy snow that hit Yamaguchi Prefecture in January 2016. We are also involved in many other similar activities.

Initiatives Taken by the Group’s Overseas Offices

- Initiatives Taken by the Group’s London Operational Base
  Daiwa Capital Markets Europe operates The Daiwa Society, a program led by voluntary members, and engages in various support activities (e.g. Jeans Day, New Charity Nominations Day, Quiz Night, Bake & Book Sale).

- Initiatives Taken by the Group’s Hong Kong Operational Base
  Daiwa Capital Markets Hong Kong operates “First Class,” a CSR program that was established by voluntary members in FY2012.
  In FY2015, the panel running the program assisted TKL School (Ta Ku Ling Ying Public School) in new construction of an English classroom by providing equipment for the classroom, while offering backpacks and stationery. In October, voluntary members, including executives, visited the school and participated in the opening ceremony of the classroom. The company will continue planning a wide range of CSR activities requiring direct involvement of its employees in order to increase its team spirit and solve social issues.

- Initiatives Taken by the Group’s New York Operational Base
  Daiwa Capital Markets America (DCMA) has a Charity Friday once a month, allowing employees who make a donation to wear jeans to work on the day. DCMA also matches these donations. The total donations are given to groups engaging in support activities for children, poverty, and education.
  DCMA has also cooperated with New York Blood Center (NYBC), one of the largest blood collection organizations in the United States, participating in blood donation for more than a decade. DCMA will continue working to solve social issues.

- Initiatives Taken by the Group’s South Korea Operational Base
  In FY2015, Daiwa Securities Capital Markets Korea solicited volunteers and staged the “Love Noodle” fair at the Korean National Red Cross for elderly people living alone. The fair was designed to cheer up elderly people living by themselves in South Korea, where the number of nuclear families has recently been increasing. The event was well received, while providing the company with a good opportunity to contribute to the local community.
  By continuing its CSR activities, Daiwa Securities Capital Markets Korea will strive to contribute widely to the Korean society.

Charity Friday at DCMA (Results for FY2015)
- Number of times held
  12
- Amount contributed by employees
  $8,917
- Total contribution
  $17,500
(Total amount includes matched donation from DCMA)
● Initiatives to Promote Volunteer Activities

• Volunteer Award
Daiwa Securities has the President’s Awards program to recognize outstanding achievements by employees. As part of the program we introduced the Volunteer Award in FY2007, which is given twice a year to employees and groups involved in volunteer initiatives and activities that provide ongoing support to communities.

• Dissemination of Information through the Internal Network
The Daiwa Securities Group provides a wide range of information on volunteer programs within the Group through our intranet, believing that volunteer activities help broaden the perspectives of employees and provide benefits by making them aware of various social issues. We introduce the best practices from such volunteer work, through our in-house magazine and internal TV broadcasts in an effort to expand the range of volunteer activities.

● Donation of Shareholder Reward Items
Daiwa Securities Group Inc. implements a shareholder reward program. Alongside carrying out this program, we donate items returned to us due to relocation or other reasons, to organizations such as designated NPOs and public interest incorporated foundations as well as items received for our shareholdings in other companies.

To expand our support to regions damaged by the 2011 Great East Japan Earthquake, we also started contributing to groups supporting disaster victims in FY2015 through the Reconstruction Agency’s disaster relief network operations.

● Disaster Assistance

• Donations for Victims of Nepal Earthquake
Daiwa Securities Group Inc. made a donation through Japan Platform, a certified non-profit organization, to support the victims of the massive earthquake that struck Nepal in April 2015.

• Donations for Victims of Heavy Rain Caused by Typhoon No. 18 of 2015
We made a donation through Central Community Chest of Japan, a social welfare corporation, to support the victims of Typhoon No. 18 that occurred in September 2015.

Daiwa Securities Group held an event in September 2015 as a part of efforts to support areas affected by the Great East Japan Earthquake. At this event, participants could taste famous products from Fukushima Prefecture and learn about initiatives related to reconstruction in disaster-affected regions.

The event, aimed at employees, offered a chance to experience the appeal of Fukushima Prefecture. With the cooperation of local NGO “Bridge for Fukushima,” the event introduced initiatives taking place in Odaka District, Minamisoma City, and the activities of agricultural and fishery business affected by the disaster.

An Event for Tasting Seasonal Food and Learning about Fukushima Supporting Areas Affected by the Great East Japan Earthquake

Daiwa Securities Group held an event in September 2015 as a part of efforts to support areas affected by the Great East Japan Earthquake. At this event, participants could taste famous products from Fukushima Prefecture and learn about initiatives related to reconstruction in disaster-affected regions.

The event, aimed at employees, offered a chance to experience the appeal of Fukushima Prefecture. With the cooperation of local NGO “Bridge for Fukushima,” the event introduced initiatives taking place in Odaka District, Minamisoma City, and the activities of agricultural and fishery business affected by the disaster.

26 employees participated

Seasonal food tasted

Volunteer Award